

MINUTES OF EVERETT PORT COMMISSION WORK SESSION

January 5, 2010

PRESENT:

Michael F. Hoffmann	President
Mark Wolken	Vice President
Troy McClelland	Secretary
John Mohr	Executive Director
Karen Clements	Chief Fin. Officer
Brad Cattle	Port Attorney

CALL TO ORDER: Commission President Michael Hoffmann called the meeting to order at 9:00 a.m.

1. ELECTION OF OFFICERS

Commissioner Mark Wolken moved to elect Michael Hoffmann as Commission President for the year 2010. Commissioner Troy McClelland seconded the motion. A vote was called for:

Vote: 3-0

Yes: Wolken, McClelland, Hoffmann

No: None

Abstained: None

Motion carried.

Commissioner Michael Hoffmann moved to elect Mark Wolken as Commission Vice President for the year 2010. Commissioner Troy McClelland seconded the motion. A vote was called for:

Vote: 3-0

Yes: Wolken, McClelland, Hoffmann

No: None

Abstained: None

Motion carried.

Commissioner Mark Wolken moved to elect Troy McClelland as Commission Secretary for the year 2010. Commissioner Michael Hoffmann seconded the motion. A vote was called for:

Vote: 3-0

Yes: Wolken, McClelland, Hoffmann

No: None

Abstained: None

Motion carried.

2. COMMISSION PRESIDENT'S REPORT

Commission President Michael Hoffmann asked the Commission to review their calendars for the purpose of holding a Commission Retreat in February. The Commission concurred.

Commissioner Hoffmann appointed Commissioner Troy McClelland as the Port representative for the Snohomish County Economic Development Council.

3. EXECUTIVE DIRECTOR'S REPORT

Executive Director John Mohr reported that the Commission agenda relates to continuing resolutions that Port staff presents to the Commission at the first meeting of the year. As with the election of the Commission officers, the Port also performs a review of many of the normal operating procedures as are outlined in the subsequent agenda items.

ORIGINAL

4. COMMISSION MEETINGS SCHEDULE

Resolution No. 927

Executive Director John Mohr presented Resolution No. 927 that reconfirms the schedule and location of Port Commission Meetings pursuant to RCW 42.30. The Port Commission may adjust the schedule to include holding regular meetings during evening hours, and hold Special Meetings pursuant to RCW 42.30.080.

Commissioner Mark Wolken said that the Commission meeting schedule will be a topic of discussion at the Commission Retreat.

Commissioner Wolken moved to adopt Resolution No. 927 reconfirming the schedule and location of Port of Everett regular meetings. Commissioner Troy McClelland seconded the motion. A vote was called for:

Vote: 3-0

Yes: Wolken, McClelland, Hoffmann

No: None

Abstained: None

Motion carried.

5. APPOINTMENT OF LEGAL COUNSEL

Executive Director John Mohr reported that Port staff is recommending that the Port retain Anderson Hunter Law Firm as its official Legal Counsel for the year 2010.

Commissioner Mark Wolken moved that the Anderson Hunter Law Firm be appointed Port Counsel for 2010. Commissioner Troy McClelland seconded the motion. A vote was called for:

Vote: 3-0

Yes: Wolken, McClelland, Hoffmann

No: None

Abstained: None

Motion carried.

6. APPOINTMENT OF PORT AUDITOR

Executive Director John Mohr reported that Karen Clements has served as the Port Auditor for the past 14 years and has a dual role that she is Port Auditor to the Commission, and she also serves as the Chief Financial Officer. Under Karen Clements' leadership serving as Port Auditor and Chief Financial Officer, the Port has received 12 consecutive audits without exception from the State Auditor. As the Executive Director, John Mohr recommended to the Commission that Karen Clements be appointed as Port Auditor for the year 2010.

Commissioner Troy McClelland moved to appoint Karen Clements as Port Auditor for the year 2010. Mark Wolken seconded the motion. A vote was called for:

Vote: 3-0

Yes: Wolken, McClelland, Hoffmann

No: None

Abstained: None

Motion carried.

7. TRAVEL AUTHORIZATION FOR 2010

Resolution No. 928

Executive Director John Mohr presented Resolution No. 928, which calls for the Executive Director to provide specific approval to Port staff for travel outside the United States and Canada with a report back to the Commission within 30 days of completion of the approved international travel. The resolution also calls for

travel by the Commissioners or the Executive Director outside the United States and Canada to be authorized by the Commission in advance of the travel.

Commissioner Mark Wolken moved to adopt Resolution No. 928 authorizing Port travel for the year 2010. Commissioner Troy McClelland seconded the motion.

A vote was called for:

Vote: 3--0

Yes: Wolken, McClelland, Hoffmann

No: None

Abstained: None

Motion carried.

8. ANNUAL RENEWAL OF DELEGATION OF AUTHORITY

Resolution No. 929

Chief Administrative Officer Jerry Heller reported that Resolution No. 929 provides the Executive Director with the authority to manage the Port and provides the guidelines for the delegation of authority. The Resolution is renewed each year by the Commission and changes are reflected as authorities and regulations mandate.

Port attorney Brad Cattle stated that the changes in Resolution No. 929 represent an increase in the Executive Director's contract authority from \$100,000 to \$200,000; adjustments were made in the Architect / Engineer section and Personal Services to reflect statutory changes to the manner in which personal services are handled by port districts; claims settlement authority was increased from \$50,000 to \$100,000; and pursuant to a recommendation from the State Auditor, a section was added to provide guidelines for the Port's memberships in Trade, Professional, Civic and Service Organizations.

Commissioner Mark Wolken moved that the Commission adopt Resolution No. 929 adopting a Master Policy Directive on the Administrative Authority of the Executive Director and his Designees for the year 2010. Commissioner Troy McClelland seconded the motion. A vote was called for:

Vote: 3--0

Yes: Wolken, McClelland, Hoffmann

No: None

Abstained: None

Motion carried.

9. ANNUAL RENEWAL OF AUTHORITY TO SELL SURPLUS PROPERTY

Resolution No. 930

Contracts Administrator Charlotte Walther presented Resolution No. 930 authorizing the managing official to sell and convey surplus property. Walther reported that RCW 53.08.090 allows the Port Commission to authorize the managing official of the Port District to sell and convey Port District property of \$10,000 or less in value. The \$10,000 figure may be adjusted annually by the governmental price index established by the Department of Revenue. For the year 2010, the figure will be \$15,000. The authority is to be in force for not more than one calendar year from the date of the resolution and may be renewed from year to year. Prior to the sale or conveyance, the managing official shall itemize and list the property to be sold and make written certification to the Commission that the listed property is no longer needed for Port District purposes.

For surplus property valued in excess of \$15,000, the Commission must approve the sale of the property by separate resolution.

Commissioner Mark Wolken moved to adopt Resolution No. 930 authorizing the managing official to sell and convey surplus property as provided in RCW 53.08.090. Commissioner Troy McClelland seconded the motion. A vote was called for:

Vote: 3-0
Yes: Wolken, McClelland, Hoffmann
No: None
Abstained: None

Motion carried.

10. CHIEF ADMINISTRATIVE OFFICER'S REPORT

12th St. North Marina Redevelopment MOA

Chief Administrative Officer Jerry Heller presented a complete background and update to the Commission regarding the 12th St. Marina Redevelopment Project Memorandum of Agreement (MOA) that was signed by the Corps of Engineers and the State Historic Preservation Officer, with the Port of Everett, Washington Trust and Historic Everett as concurring parties. The MOA established the duties and responsibilities of the parties associated with the Collins Building.

Small Works Roster Annual Report

Contracts Administrator Charlotte Walther announced that she would provide the Small Works Roster Annual Report at the January 12, 2010 regular Commission meeting.

Small Works Roster – Resolution No. 931

Charlotte Walther presented Resolution No. 931 which establishes a Small Works Roster process to award public works contracts.

RCW 53.08.120-53.98.150 and Chapter 39.04 RCW establish the use of a small works roster process for bidding and awarding public works contracts where the estimated cost does not exceed \$300,000. On August 11, 2009, the Commission approved changes to the Small Works Roster process used by the Port of Everett based upon statutory changes made during the 2009 Legislative Session. The most significant change was to approve the staff to use the Small Works Roster process for contracts up to an estimated cost of \$300,000.

Charlotte Walther stated that the current change being recommended is to bring the authority of the Executive Director up to the same level as authorized in the annual Delegation of Authority adopted by the Commission. This would allow for an automatic update to the Executive Director's authority level to award contracts using the Small Works Roster process without having the Commission amend the Small Works Roster resolution with each change. Staff recommended that the Commission adopt Resolution No. 931 as presented.

Commissioner Troy McClelland moved to adopt Resolution No. 931 establishing a Small Works Roster process to award public works contracts. Commissioner Mark Wolken seconded the motion. A vote was called for:

Vote: 3-0
Yes: Bannan, Hoffmann, Wolken
No: None
Abstained: None

Motion carried.

11. OPERATIONS REPORT

Marine Terminals Director Dave Madill reported that vessel calls were down by two for the month of December and down 20 vessel calls year-to-date, resulting in a 12 percent decline in ship calls for 2009. Madill reported that tonnage was down 19 percent compared to last year.

The containers were down for the month of December by 57 container moves reflecting a 19 percent decrease, but the year-to-date container moves are up by 143 container moves reflecting a 2 percent increase in the year-to-date figures.

At the Mt. Baker Terminal, the facility handled 79 inbound containers and 89 outbound containers for the month of December.

Commissioner Wolken inquired about the carrier schedule. Dave Madill responded that generally the Port has a schedule a month ahead of the calls.

Commissioner McClelland inquired how other ports were doing. Dave Madill responded that he has heard that some ports are down 30 – 40 percent in actual call numbers. These ports represent ports in Puget Sound and the Columbia River.

12. PROJECTS UPDATE

TSA Rd 7A TWIC and Guard Shelter Buildings

Project Manager Poli Luis reported that construction was in progress for the Transportation Worker Identification Credential (TWIC) – Access Control and Lighting/Intrusion Detection security project at the Marine Terminal. The project is part of the Department of Homeland Security/Transportation Security Administration (TSA) Rd 7A grant awarded to the Port of Everett. Part of the overall project is to provide a TWIC building and Guard Shelter for security staff and to support Marine Terminal security access. The contract currently underway by Dutton Electric includes the CCTV system, access control system and the lighting system. The buildings are being procured separately through KCDA, a non-profit purchasing cooperative owned by Washington State Public School Districts.

Poli Luis requested that the Commission authorize Staff to award the purchase contract to the King County Director's Association (KCDA) in the amount of \$206,806.27, including Washington State Sales Tax (WSST) for the TWIC and Guard Shelter buildings as part of the TWIC-Access Control and Lighting Intrusion Detection project.

Commissioner Troy McClelland asked if this project followed the Small Works Roster process or a separate process relating to the TSA requirements. Contracts Administrator Charlotte Walther responded that the Port is a member of the KCDA which is a purchasing cooperative and allows agencies the benefit of using their process. The process that the KCDA used for competitive solicitation was acceptable and met the Port of Everett's requirements and also met the federal requirements.

Commissioner Troy McClelland moved to authorize Staff to award the purchase contract to the King County Director's Association (KCDA) in the amount of \$206,806.27, including WSST, for the TWIC and Guard Shelter buildings as part of the TWIC – Access Control and Lighting-Intrusion Detection project. Commissioner Mark Wolken seconded the motion. A vote was called for:

Vote: 3-0

Yes: Wolken, McClelland, Hoffmann

No: None

Abstained: None

Motion carried.

TSA Rd 7A Rail Access Recovery Authorization – Call for Bids

Chief of Engineering & Planning John Klekotka reported that in 2007, the Port of Everett was awarded a grant from the Transportation Security Administration (TSA), now known as the Dept. of Homeland Security (DHS), Rd 7A, for the installation of an additional railroad siding at the Port's Marine Terminals. The purpose of the project is to provide system wide, backup cargo-loading rail capacity in the event of a disaster at other Puget Sound ports or at the Port of Everett's Mt. Baker Terminal. The facility also supports the Port's on-terminal rail cargo needs.

Part A of the project will create a turn out off of the BNSF mainline track in the vicinity of the south end of south terminal, and will create approximately 2,500 lineal feet of new working track. Part A is funded by the TSA grant.

Part B extends from Pacific Terminal and ties in with tracks at Pier 1 and ties in with the existing rail siding at the bulk load-out facility. The project will allow the Port greater flexibility in handling bulk load-out cars. The track plan and configuration is consistent with the Marine Terminal Master Plan that was adopted by the Commission in July of 2008.

The project was initially funded by a grant from the Transportation Security Administration (TSA) at \$1.34 million with \$998,000 from the TSA and 25 percent Port match. As part of the Port match amount, the Port obtained a no-interest loan from the WSDOT Rail Bank program in the amount of \$250,000.

For Part B of the project, the Port just recently received a Federal Transportation appropriation in the amount of \$1.17 million. The Port will also need \$450,000 in a second Rail Bank loan from WSDOT for a total project funding of \$2.96 million which will cover the project from design, bid and the end of construction and closeout.

Several rail configurations were studied by the Port's rail engineer, HDR Engineering, and a preferred alternative was identified and integrated into the Port's Marine Terminal Master Plan, which was adopted by the Port Commission in 2008. HDR is nearly complete with the final engineering, and Port staff seeks approval from the Commission to solicit bids for the project. The project must be completed, including submittal of all closeout reports to DHS, by the end of 2010.

In response to the Commission, John Klekotka explained that the first WSDOT loan is a 15-year no interest loan, and the second WSDOT loan is a 10-year loan at 1.1 percent interest. Part B of the rail improvement will also allow the Port to more efficiently handle railcars for the bulk load out facility and increase rail car capacity from 7 to 8 cars now, to two or three strings of 7 to 8 cars each without relying on BNSF for switching every time.

Commissioner Mark Wolken moved to authorize the call for bids for the Rail Access Recovery Project, Parts A and B. Commissioner McClelland seconded the motion. A vote was called for:

Vote: 3-0

Yes: Wolken, McClelland, Hoffmann

No: None

Abstained: None

Motion carried.

Corps of Engineers Snohomish River Maintenance Dredging

Senior Planner Graham Anderson provided an update to the Commission on several maintenance dredging activities that the Port will be involved in during 2010 and beyond. The Corps of Engineers will focus their maintenance dredging of up to 350,000 cubic yards of material from the Lower Settling Basin in the Snohomish River Navigation Channel from January through February 14, 2010. As the local sponsor of the Corps of Engineers maintenance dredging, the Port is responsible to find suitable open water disposal sites for the dredged river materials. General construction is underway and will continue through February 14, 2010.

10th Street Boat Launch Maintenance Dredging

Graham Anderson also reported that in conjunction with the Corps dredging project, the Port will dredge 32,000 cubic yards from its 10th Street Boat Launch to enhance operations at the facility.

13. COMMISSIONER COMMENTS

Commissioner Mark Wolken moved that the Executive Director and Staff be authorized and directed to plan and facilitate a public discussion to consider whether the port should place on the 2010 General Election ballot a proposition to have five members on the Port Commission. The following timeframe is outlined for the process.

1. March / April 2010 – Establish at least two issue specific public hearings / workshops.
2. June 2010 – A yes or no decision by the Commission to decide if the proposition is to be placed on the ballot for the 2010 General Election.

Further, as part of the information gathering, the Executive Director and Staff shall determine the likely areas to be included in each, if five commissioner districts were created.

Commissioner Troy McClelland seconded the motion. A vote was called for:

Vote: 3-0
Yes: Wolken, McClelland, Hoffmann
No: None
Abstained: None

Motion carried.

14. CITIZEN COMMENTS

Duane Pearson asked for clarification on the use of the guard shelter. Project Manager Poli Luis said the shelter will be used for a training center and will house Security staff.

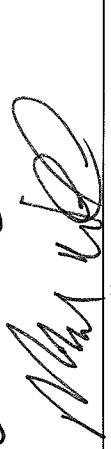
THE WORK SESSION MEETING WAS RECESSED into Executive Session at 10:03 a.m. for approximately 45 minutes to discuss with legal counsel a pending litigation matter and to discuss consideration of real estate, public discussion of which could disadvantage the Port's negotiations. No action was taken by the Commission.

At 10:38 a.m., Executive Director John Mohr announced that the Executive Session was continued to 11:25 a.m.

THE WORK SESSION WAS RECONVENED AND ADJOURNED at 11:30 a.m.

APPROVED: THIS 9th day of February 2010. EVERETT PORT COMMISSION

By: 
Michael Hoffmann, President


Mark Wolken, Vice President


Troy McClelland, Secretary